

SERS Retirement Board Meeting Minutes

September 17, 2026

The nine hundred and ninety-eighth meeting of the Retirement Board of the School Employees Retirement System was held in the boardroom at 300 E. Broad Street, Columbus, Ohio, and streamed via Zoom videoconferencing on Thursday, September 17, 2026.

Pledge of Allegiance

The SERS Retirement Board Meeting convened at 8:30 a.m. with the Pledge of Allegiance.

Roll Call

The roll call was as follows: Daniel Wilson, Aimee Russell, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, James Rossler, Frank Weglarz (attended remotely). Excused: Catherine Moss. Also attending was Henrique Geigel, representative of the Ohio Attorney General's Office. Various members of the public and SERS staff attended in person while other SERS staff members and members of the public attended virtually.

Consent Agenda

The Consent Agenda for September 17, 2026, included:

- **Minutes** of the July 16, 2026, Retirement Board Meeting.
- **Summary of Investment Transactions** for the period of June 1, 2026, to June 30, 2026.
- **Summary of Investment Transactions** for the period of July 1, 2026, to July 31, 2026.
- **Retirement Report** - Superannuations, Survivor Benefits, Transfers and Special Cases.
- **Disability Report** - Approval of Disability Benefits, Disapproval of Disability Benefits, Termination of Disability Benefits – Any Occupation, Approval of Appeal for Disability Benefits

Jeanine Alexander moved and James Rossler seconded the motion to approve the Consent Agenda of the Retirement Board Meeting held on Thursday, September 17, 2026. Upon roll call the vote was as follows: Yea: Aimee Russell, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, James Rossler, Frank Weglarz, and Daniel Wilson. Excused: Catherine Moss. The motion carried.

Investment Report

Quarterly Performance Report - Wilshire Advisors – For the Period ending June 30, 2026

Chief Investment Officer, Farouki Majeed, introduced Joanna Bewick and Chris Tessman of Wilshire Advisors LLC to provide the Board with a quarterly executive summary of the SERS retirement fund. Ms. Bewick and Mr. Tessman reported strong U.S. equity performance for the quarter, with technology leading sector gains and small caps outperforming large caps. The Federal Reserve transition and global geopolitical factors contributed to market volatility, while fixed income saw modest yield increases and narrowing credit spreads. The SERS portfolio remains well-diversified, with asset allocation and manager selection adding value above the policy benchmark. Wilshire reported that overall, SERS continues to rank favorably among public plan peers for risk-adjusted returns.

There were no questions and the Board thanked Wilshire Advisors for the presentation.

Quarterly Investment Report and Monthly Investment Report – For the Periods ending June 30, 2026 and July 31, 2026

Mr. Majeed provided a quarterly and monthly economic environment and investment performance update. Mr. Majeed reported continued portfolio growth, with total assets reaching \$23.6 billion and positive value added above the policy benchmark. Economic indicators showed resilient consumer spending, moderating inflation, and steady labor market gains. Asset allocation remains well-diversified, and most asset classes outperformed their respective benchmarks over the quarter and year. The Board received updates on performance, income distributions, and management fees, confirming strong fiscal health and alignment with strategic targets.

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Mr. Majeed reported that GDP growth slowed to 1.5% in the second quarter, down from 2.1% in the first quarter. Mr. Majeed shared that the growth in drivers in the second quarter was consumer spending and Artificial Intelligence (AI)-related investments; however, increased imports and a decline in federal government spending contributed to the deceleration in the second quarter. Mr. Majeed reported that the labor market improved in August. Mr. Majeed also highlighted the federal debt in US dollars is climbing and as of July 31 it is \$38.5 trillion and growing.

Mr. Majeed discussed the total fund investment performance and the performance by asset class as of July 31.

Following a robust discussion, the Board thanked Mr. Majeed for his update.

Investment Committee Policy Discussion

Continuing his presentation, Mr. Majeed shared recent edits made to the internal SERS Investment Committee Policy, the edits are effective September 2026. No vote was required from the Board. After brief questions from the Board, this concluded the Investment Report.

Executive Director's Report

COLA (Cost of Living Adjustment) Discussion (R)

SERS Executive Director, Ray Higgins, introduced the COLA Discussion.

Mr. Higgins outlined the variables the SERS Board considers when determining the annual Cost of Living Adjustment (COLA) for retirees. The Board was reminded of their discretion under statute to set the COLA, guided by the June-to-June percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) but also by actuarial advice to protect the pension fund's fiscal integrity. Key factors include the plan's funded ratio, amortization period, cash flow, and investment experience—both recent and projected. The Board weighs these collectively, balancing sustainability of the fund and fairness to retirees, with an amount not to exceed 2.5%.

Mr. Higgins introduced Todd Green and Alisa Bennet from CavMac, and Mr. Green touched on analysis that was provided for the Board's 2027 COLA decision, noting that while the CPI-W increased 3.5%, the amount should not exceed 2.5%. Actuarial projections show SERS could reach 100% funded status by 2033–2036, depending on employer contribution allocations and investment returns, with negative cash flow trends improving after 2035. A memo on the topic provided in advance to the Board mentions that STRS and OPERS are granting COLAs of 1.6% and 3.0%, respectively, for fiscal year 2027. The actuary, CavMac, advises that granting a 2.5% COLA for 2027 is anticipated and does not materially impair the actuarial soundness or fiscal integrity of the pension system.

There were no questions from the Board.

It was moved by James Rossler and seconded by Aimee Russell that following review by SERS' actuary, CavMac, eligible SERS allowances, pensions and benefits shall receive a 2.5% cost-of-living adjustment in calendar year 2027, which is the percentage increase as set forth in R.C. 3309.374(B). Upon roll call the vote was as follows: Yea: Aimee Russell, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, James Rossler, Frank Weglarz, and Daniel Wilson. Excused: Catherine Moss. The motion carried.

Healthcare Risk Report – CavMac

Ms. Bennet of CavMac presented on the comprehensive risk analysis of the Retiree Healthcare Fund. Ms. Bennet highlighted that while the fund is projected to remain solvent until 2065 under current assumptions, negative cash flow and rising healthcare costs could shorten this timeline. Key risks include investment return volatility, escalating healthcare costs, demographic shifts, and the current contribution policy, which prioritizes basic benefits over healthcare. Sensitivity analyses show that adverse scenarios may accelerate insolvency, underscoring the importance of ongoing monitoring.

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After a robust discussion, the Board thanked CavMac for the presentation.

Allocation of Employer Contributions – Healthcare Fund (R)

Also under consideration is allocating up to 0.5% of employer contributions to the Healthcare Fund, which has strengthened its funded ratio and solvency period. Rebekah Roe moved and Matthew King seconded that after discussion with SERS' actuary, CavMac, regarding the preliminary results of the annual basic benefits valuation (to be prepared as of June 30, 2026) at the September 2026 Board meeting, the Board elects to allocate 0% (zero percent) of the 14% employer contribution to the Healthcare Fund for fiscal year 2027 in accordance with the funding policy approved by the Board on June 18, 2015. Upon roll call the vote was as follows: Yea: Aimee Russell, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, James Rossler, Frank Weglarz, and Daniel Wilson. Excused: Catherine Moss. The motion carried.

The Board took a break at 10:30 a.m.

The Board reconvened at 10:41 a.m.

Executive Director's Update

Mr. Higgins began his Executive Director's Update.

Staff Updates

Mr. Higgins recognized CIO, Farouki Majeed, who will be receiving the Chief Investment Officer of the Year Award at the Titan Investors Columbus Institutional Roundtable on October 1.

He continued his staff recognition, thanking Sam Jarvis of Member Services and Chris Maynard of Healthcare Services for providing exemplary service to a member who sent Mr. Higgins handwritten thank you notes for the help they rendered. Mr. Higgins noted the handwritten thank you notes were an excellent reminder of the people behind the numbers and why we do what we do at SERS.

Mr. Higgins shared the results of SERS annual charity campaign, Operation Backpack, a program that gives local area children a new backpack and school supplies to start the school year. SERS staff generously donated 151 backpacks as well as provided online donations, in total donating a value of \$6,040.

On a personal note, Mr. Higgins remarked that he enjoyed having the opportunity to travel to many of the board member's hometowns to meet with them individually as part of his onboarding in his new role as Executive Director at SERS, thanking the board members for their hospitality.

Ohio Retirement Study Council

Mr. Higgins reported that the ORSC met in August, and at that time he had the opportunity to meet with many of the ORSC members individually as well. The August ORSC meeting had several topics and SERS made brief remarks about incentive-based compensation at the Committee's request. Mr. Higgins shared that the September ORSC meeting was cancelled, but SERS continues to answer questions related to a think tank report, participating in follow-up questions that the Board has been made aware of. The October ORSC meeting is scheduled for October 8, and Mr. Higgins reminded the Board that SERS provided the annual disability report as is in line with past years. SERS also anticipates learning who will be selected for the fiduciary audit at the October Committee meeting as well and SERS looks forward to working on that project with whatever firm is selected.

Member Profile Report Update

Mr. Higgins provided an update on a previous Board information request on generating a report on the profile of our active members, to help inform discussions on long-term sustainability. Mr. Higgins shared that SERS has a breakdown of nine job classifications, and the information is based on what employers report. Based on these reports, a large percentage of members are classified as "Other", likely due to the evolution of positions and

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specialist roles. SERS plans to consider expanding our job classification criteria, discuss this topic with our Employer Relations Panel and work with the Department of Education and Workforce's Education Management Information System (EMIS) to gather similar information. While future actuarial reports may contain job classifications, SERS does not expect the data to significantly impact the actuarial results. The data is expected to provide insights into school staffing and hiring trends.

State and Federal Legislative Activity

Mr. Higgins reported that the State remains out of session, and we expect more after the November election. At the Federal level, Mr. Higgins reported they remain focused on midterms.

FY2026 Year End Budget-to-Actual Report and Review of Administrative Expenses

SERS Chief Financial Officer, Marni Hall, provided an update on the FY2026 Year End Budget-to-Actual Report and administrative expenses for July and August 2026, reviewing line items of note in the Administrative Expense Reports.

Filing of Proposed Amended Administrative Rules (R-2)

Britani Galloway of Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended rule: 3309-1-35 Health care. Jeanine Alexander moved and Rebekah Roe seconded that proposed amended rule 3309-1-35 be filed with JCARR as discussed. Upon roll call the vote was as follows: Yea: Aimee Russell, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, James Rossler, Frank Weglarz, and Daniel Wilson. Excused: Catherine Moss. The motion carried.

Ms. Galloway continued, discussing filing with JCARR the following proposed amended rule: 3309-1-68 Guardianship. Matthew King moved and Aimee Russell seconded that proposed amended rule 3309-1-68 be filed with JCARR as discussed. Upon roll call the vote was as follows: Yea: Aimee Russell, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, James Rossler, Frank Weglarz, and Daniel Wilson. Excused: Catherine Moss. The motion carried.

Executive Session pursuant to R.C. 121.22(G)(3) to discuss imminent court action (R)

Matthew King moved and Aimee Russell seconded the motion that the Board go into Executive Session pursuant to R.C. 121.22 (G)(3) to discuss imminent court action. Upon roll call the vote was as follows: Yea: Aimee Russell, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, James Rossler, Frank Weglarz, and Daniel Wilson. Excused: Catherine Moss. The motion carried.

The Board convened in executive session at 11:09 a.m.

The Board returned to open session at 11:31 a.m.

Approval of Legal Action

It was moved by Jeanine Alexander and seconded by Rebekah Roe to authorize special counsel to the Ohio Attorney General's Office to commence legal action on behalf of the School Employees Retirement System of Ohio as discussed in the Executive Session of September 17, 2026, and to authorize the Executive Director to execute any documents necessary. Upon roll call the vote was as follows: Yea: Aimee Russell, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, James Rossler and Daniel Wilson. Abstention due to Zoom technical issue: Frank Weglarz. Excused: Catherine Moss. The motion carried.

Retirement Report

There was no executive session for the retirement report.

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Audit Committee Report

Audit Committee Update

SERS Chief Audit Officer, Steve Ritzer, provided an update on the work being done in the Audit Committee. Mr. Ritzer reported that the Audit Committee met on Wednesday, September 16. At this meeting the Internal Audit status was discussed, and all audit projects are on track for the fiscal year. Mr. Ritzer shared that the Audit committee reviewed the Annual Confirmation of Internal Audit Independence. The Board thanked Mr. Ritzer for the update.

Compensation Committee Report

Compensation Committee Update

Compensation Committee Chair, Daniel Wilson, provided the Board with an update on the work being done in the Compensation Committee meetings. Mr. Wilson shared that Committee met the morning of September 17 and received an update from CBIZ on the Compensation Study. Mr. Wilson noted that the Committee approved the draft FY2027 Executive Director performance goals. There were no questions from the Board. The next Compensation Committee meeting is scheduled for Thursday, December 17, 2026.

Board Communication and Policy Issues

Calendar Dates for Future Board Meetings

The Board members reviewed the 2026 meeting calendar. Picture day will be moved to November or December and the board will be notified in advance.

CALENDAR DATES FOR SERS BOARD AND COMMITTEE MEETINGS FOR 2026 **

AUDIT COMMITTEE MEETINGS

September 16, 2026 - 2:30 p.m. (Weds.)
December 16, 2026 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

July 16, 2026 – 7:30 a.m. (Thurs.) **** Special Meeting ****
September 17, 2026 – 7:30 a.m. (Thurs.)
December 17, 2026 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

September 17, 2026 – 12:30 p.m. (Thurs.)
December 17, 2026 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

July 16 – 17, 2026 – 8:30 a.m. (Thurs. and Fri.)
September 17 – 18, 2026 – 8:30 a.m. (Thurs. and Fri.) **** Board Picture Day ****
October 15 – 16, 2026 – 8:30 a.m. (Thurs. and Fri.)
November 19 – 20, 2026 – 8:30 a.m. (Thurs. and Fri.)
December 17 – 18, 2026 – 8:30 a.m. (Thurs. and Fri.)

**** Please note that these dates and times are tentative.**

Continued or New Business - Board Information Request & Follow Up Items

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Mr. Higgins addressed previous requests from the Board to receive a refresher on sustainability discussions, as well as a refresher on Board Member roles and responsibilities that new trustees receive during the onboarding and orientation period. At Mr. Higgins' recommendation these topics will be addressed as part of the Annual Board Workshop in early 2027.

Regarding a previous request to update the artwork in the Boardroom, Mr. Higgins reported SERS is discussing plans to work within the existing budget to update artwork in a way that celebrates the members.

Mr. Wilson further requested SERS consider adding pictures to other areas of the building with more traffic. Mr. Higgins suggested the use of digital displays for this and noted SERS will follow up on this request.

Adjournment

Board Chair, Daniel Wilson, moved to adjourn to meet on Thursday, October 15, 2026, at 8:30 a.m. for the next SERS regularly scheduled Retirement Board meeting.

The SERS Board Meeting adjourned at 11:37 a.m.

Daniel Wilson, Board Chair

H. Ray Higgins, Jr., Executive Director